

Message Text

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PAGE 01 KINSHA 03360 111613Z

ACTION AF-10

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FM AMEMBASSY KINSHASA

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C O N F I D E N T I A L KINSHASA 3360

STADIS////////////////////////////////////

E.O. 11652: GDS

TAGS: EGEN EAID PFOR

SUBJECT: ADVISABILITY OF EMERGENCY FOOD AID

REF: (A) KINSHASA 3168 (B) STATE 79937

1. WE AGREE THAT THE PLIGHT OF THE "CITE" DWELLER HAS CONSIDERABLY WORSENERED DURING THE PAST YEAR BUT, AS POINTED OUT IN REF (A), THIS IS CAUSED BY FACT THAT PRICES HAVE RISEN SINCE APRIL 1976 BETWEEN 55 AND 68 PER CENT, DEPENDING UPON THE INCOME GROUP, WHILE WAGE INCREASES HAVE BEEN OFFICIALLY RESTRICTED TO 20 PER CENT. AS POINTED OUT IN REF (A), THE AVERAGE ZAIRIAN HAS MANAGED TO SURVIVE BY SHIFTING CONSUMPTION PATTERNS FROM EXTENSIVE PROTEIN TO LESS EXPENSIVE CEREALS AND VEGETABLES. USG-FINANCED IMPORTS OF WHEAT, RICE, TOBACCO AND COTTON HAVE HAD AN IMPORTANT MODERATING EFFECT UPON SOME PRICES. WE HAVE CLOSELY MONITORED AVAILABILITY OF STAPLES TO THE "CITE" DWELLER AND THERE ARE NO SIGNIFICANT SHORTAGES. THE PROBLEM IS NOT AVAILABILITY BUT THE DECLINE OF THE REAL INCOME OF THE AVERAGE ZAIRIAN. BANK OF ZAIRE FIGURES JUST RELEASED REFLECT THAT REAL GDP DECLINED BY 6.1 PER CENT IN 1975 AND 1.0 PER CENT IN 1976. ASSUMING A 2.8 PER CENT GROWTH RATE, THIS WOULD MEAN A PER
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINSHA 03360 111613Z

CAPITA DECLINE OF 8.9 PER CENT IN 1975 AND 3.8 PER CENT IN 1976. THESE STATISTICS, TOGETHER WITH PREVIOUSLY MENTIONED PRICE DATA, SUPPORT OUR BELIEF THAT THE INCOME GAP BETWEEN ZAIRIAN ELITE AND THE MASSES OF THE POOR HAS CONSIDERABLY WIDENED DURING THE PAST SEVERAL YEARS. WHILE MEAT IS NOW A LUXURY BEYOND THE REACH OF MOST "CITE" DWELLERS, THE GOZ ELITE STILL ENJOY THEIR LIMOUSINES AND THE STORES ARE STOCKED WITH SUCH LUXURIES AS

FRENCH LIQUORS AND CHEESES, PATE WITH TRUFFLES AND SMOKED SALMON. ADDITIONAL EXPENSIVE RESTAURANTS AND CASINOS HAVE OPENED WITHIN THE PAST YEAR AND ARE PATRONIZED BY ZAIRIANS AS WELL AS THE EXPATRIATE COMMUNITY. CONSPICUOUS CONSUMPTION BY THE ZAIRIAN ELITE IS WIDESPREAD AND OPEN WHILE MOBUTU SPEAKS OF SACRIFICES AND ANNOUNCES A WAR BUDGET. APPARENTLY THE SACRIFICES ARE TO BE BORNE BY THE POOR AND NOT THE ZAIRIAN ELITE. THE GOZ PREDICTS 30 PER CENT PRICE INCREASE IN 1977 BUT STATES THAT THERE WILL BE NO WAGE INCREASES IN THE PUBLIC SECTOR CORPORATIONS. THE ALREADY EXTREME INCOME GAP IS WIDENING AND POLITICALLY VOLATILE.

2. THE DEPARTMENT WILL ALSO WISH TO LOOK CAREFULLY AT PROF. DOUCY'S POLITICAL MOTIVES, WHICH HE UNVEILED PER LAST PARA OF EC BRUSSELS 3451. DOUCY'S LINE IS THE SAME WE HAVE HEARD MOST RECENTLY FROM THE REFORMIST ELITE GROUP, WHO SEES THAT MOBUTU IS DIGGING IN AND SHOWS NO SIGN OF WITHDRAWING FROM POWER. WHAT THEY SAY--AND WHAT DOUCY IS SAYING--IS THAT MOBUTU BOTH NEEDS TO BE SAVED AND NEEDS A FACE-SAVING GESTURE; EMERGENCY US ASSISTANCE, ALLIED WITH OVERT POLITICAL SUPPORT FOR THE REGIME, WOULD REASSURE MOBUTU THAT WE ARE NOT OUT TO GET HIM, HELP STABILIZE THE POLITICAL SITUATION AND SAVE HIS PRESTIGE; IN THESE CIRCUMSTANCES MOBUTU COULD THEN BE CONVINCED--AGAIN BY THE US--TO WITHDRAW FROM POWER IN FAVOR OF A PRIME MINISTER.

3. THE POLITICAL ARGUMENT DOES NOT CONVINCE US, BECAUSE IT IS BASED ON THE ASSUMPTION THAT THE USG WILL NOT ONLY EFFECT POLITICAL REFORM, BUT ALSO WILL STAND BEHIND THE RESULTS. AND IN OUR OPINION, THE REFORM GROUP--SAMBWA, KENGO WA DONDO, NAMWISI, BOMBOKO, MENDAKA--DO NOT, AT LEAST AT THIS STAGE, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KINSHA 03360 111613Z

HAVE THE WHEREWITHAL OR THE OVERALL VISION TO PULL IT OFF. THE ECONOMIC/POLITICAL ANALYSIS THAT WE DO ESPOUSE WILL BE SUMMARIZED IN OUR PARM, WHICH WILL BE TRANSMITTED SHORTLY. THAT DOCUMENT CONCENTRATES ON THE PROTECTION AND COINCIDENCE OF BASIC INTERESTS, BOTH THOSE OF THE ZAIRIAN PEOPLE AND OUR OWN.

4. IN SUM, WE ARGUE FOR A CONTINUING COMMITMENT TO ZAIRE'S UNITY AND TERRITORIAL INTEGRITY, TO THE BASIC ASPIRATIONS OF THE ZAIRIAN PEOPLE FOR ECONOMIC REFORM AND PROGRESS, HUMAN RIGHTS AND GOOD GOVERNMENT. THROUGHOUT, WE ARGUE FOR DISCREETLY DISTANCING OURSELVES FROM MOBUTU THE MAN, BUT POINT OUT THE NEED TO PROTECT OUR INTERESTS IN THE SHORT TERM. WE BELIEVE THAT A COMBINATION OF PERMITTING THE GOZ TO USE ITS FMS FOR THE PURCHASE OF NON-LETHAL SUPPLIES AND TRANSPORTATION THEREOF AND THE EARLY SIGNING OF FY 77 PL-480 AND CIP PROGRAMS IS SUFFICIENT TO SHOW OUR CONCERN FOR THE DANGERS POSED BY THE EVENTS IN SHABA AND TO COVER OUR SHORT-TERM POLITICAL BETS. OVER THE MEDIUM AND LONGER TERM, WE CALL FOR CONTINUED COMMITMENT TO ECONOMIC REFORM BY TYING OUR BALANCE OF PAYMENTS SUPPORT TO

STRENGTHENED IMF STABILIZATION PROGRAMS, FOR BETTER PERFORMANCE
BY THE GOZ IN JOINT DEVELOPMENT PROJECTS AND FOR MORE DIRECT,
PEOPLE-TO-PEOPLE PROGRAMS. EMERGENCY FOOD AID IS NOT EXCLUDED,
BUT WE DO NOT SEE A NEED FOR IT RIGHT NOW.
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Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:39:08 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:06 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
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